

# Calendar No. 685

82D CONGRESS }  
1st Session }

SENATE

{ REPORT  
{ No. 726

AMENDING THE FEDERAL FARM LOAN ACT, AS AMENDED, TO  
REPEAL THE PROVISIONS THEREIN FOR ADDITIONAL SUB-  
SCRIPTIONS ON BEHALF OF THE UNITED STATES TO THE  
CAPITAL STOCK OF THE FEDERAL LAND BANKS

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AUGUST 31 (legislative day, AUGUST 27), 1951.—Ordered to be printed

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Mr. MAYBANK, from the Committee on Banking and Currency,  
submitted the following

## REPORT

[To accompany S. 2091]

The Committee on Banking and Currency, having considered a bill to amend the Federal Farm Loan Act, as amended, to repeal the provisions therein for additional subscriptions on behalf of the United States to the capital stock of the Federal land banks, report favorably a committee bill (S. 2091) and recommend that the bill do pass.

### GENERAL STATEMENT

The amendment would repeal the authority of the Secretary of the Treasury on behalf of the United States, upon request of any Federal land bank with the approval of the Farm Credit Administration, to subscribe from time to time to capital stock of such bank for which \$125,000,000 was authorized to be appropriated, with the proceeds of all repayments on account of such stock to be held in the Treasury available for the purpose of paying for other such stock thereafter issued to the United States.

All the stock held by the United States under this authority had already been paid off and retired. Since it was not considered that such repayments which were held in a revolving fund in the Treasury available for further stock subscriptions would be needed in the future, the Congress, in the General Appropriation Act of 1951 (Public Law 759, 81st Cong., approved September 6, 1950), under Title III—Reductions in Appropriations, eliminated all appropriations available for further subscriptions on behalf of the United States

to the stock of the Federal land banks. In so acting the Congress did not eliminate the basic statutory authority for such subscriptions and appropriations. That is the purpose of this bill.

#### CHANGES IN EXISTING LAW IN COMPLIANCE WITH THE CORDON RULE

In compliance with subsection (4) of the rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

LAST PARAGRAPH OF SECTION 5 OF THE FEDERAL FARM LOAN ACT AS ADDED BY SECTION 2 OF THE ACT OF JANUARY 23, 1932 (47 STAT. 12) AND AMENDED BY EXECUTIVE ORDER No. 6084, MARCH 27, 1933 (12 U. S. C. 1946 Ed. 698)

[Subscriptions by United States; terms; amount; retirement.

[It shall be the duty of the Secretary of the Treasury on behalf of the United States, upon the request of the board of directors of any Federal land bank made with the approval of the Farm Credit Administration, to subscribe from time to time for capital stock of such bank in an amount or amounts specified in such approval or approvals, such subscriptions to be subject to call in whole or in part by the board of directors of said bank upon thirty days' notice with the approval of the Farm Credit Administration. The Secretary of the Treasury is authorized and directed to take out and pay for shares having an aggregate par value equal to the amounts so called; and to enable the Secretary of the Treasury to pay for stock issued hereunder there is authorized to be appropriated the sum of \$125,000,000, such stock to be nonvoting. Shares of stock issued pursuant to this section shall be paid off at par and retired in the same manner as the original capital stock of said bank after said original stock outstanding, if any, has been paid off and retired: Provided, however, That stock issued pursuant to this section may at any time, in the discretion of the directors and with the approval of the Farm Credit Administration, be paid off at par and retired in whole or in part; and that said Administration may at any time require such stock to be paid off at par and retired in whole or in part if, in the opinion of the Administration, the bank has resources available therefor. The proceeds of all repayments on account of stock issued pursuant to this section shall be held in the Treasury of the United States and shall be available for the purpose of paying for other stock thereafter issued pursuant to this section.]